# Message Text

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DRAFTED BY ARA/CAR:DCPIERCE/KAR APPROVED BY ARA:TATODMAN USOAS:GMCGEE

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FM SECSTATE WASHDC
TO AMEMBASSY BRIDGETOWN
INFO USMISSION USUN NEW YORK

CONFIDENTIAL STATE 104270

E.O. 11652: GDS

TAGS: EAID, PDIP, CFED, GJ

SUBJECT: GRENADA PM GAIRY VISITS ARA-AMB. TODMAN

1. SUMMARY: IN A 90 MINUTE MEETING, GRENADIAN PRIME MINISTER GAIRY OUTLINED A CASE FOR "EMERGENCY" U.S. ASSISTANCE FOR GRENADA--SHORT OR LONG TERM--BEGINNING IF POSSIBLE WITH SURPLUS PROPERTY FOR THE OAS GENERAL ASSEMBLY IN GRENADA (OASGA). HE RECEIVED A SYMPATHETIC HEARING AND WAS ASSURED THAT THE NEW ADMINISTRATION WAS REVIEWING U.S. POLICY WORLDWIDE AND ESPECIALLY IN THE CARIBBEAN. HE GOT NO COMMITMENTS OR PROMISES BEYOND AMB. TODMAN'S PROMISE TO LOOK SERIOUSLY AT HIS REQUESTS TO SEE WHAT MIGHT BE DONE. GAIRY ALSO TALKED ABOUT THE OASGA BUDGET, DIPLOMATIC REPRESENTATION IN THE U.S. AND GRENADA, AND THE DISPOSITION OF U.S. FUGITIVE EUGENE ZEEK.

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2. IN GAIRY'S CALL ON ASSISTANT SECRETARY TODMAN AND USOAS AMB. MCGEE, HE WAS ACCOMPANIED BY: PERMSEC FABIAN REDHEAD, MINISTRY OF EDUCATION; DR. WELLINGTON FRIDAY, NAMED "AMBASSADOR AT LARGE"; CONSUL GENERAL FRANCIS

REDHEAD, GRENADA UN MISSION; MR. GEORGE GRIFFITH, GRENADIAN

DEPUTY HIGH COMMISSIONER TO CANADA; MISS GLORIA PAYNE, GOG PLANNING OFFICER; AND U.S. CITIZEN FRED WEINGROW, BANKER AND UNPAID "ECONOMIC CONSULTANT" TO GAIRY.

#### 3. CASE FOR GRENADA

GAIRY SAID HIS PURPOSE WAS TO MAKE A CASE FOR U.S.
ASSISTANCE TO GRENADA, THE "SMALLEST AND POOREST COUNTRY IN THE UN." HE SAID HIS GOVERNMENT WAS STABLE AND HAD VOTED WITH THE U.S. IN INTERNATIONAL FORA ON ALL ISSUES EXCEPT THE "RACISM IS ZIONISM" ISSUE, WHICH GRENADA HAD TO SUPPORT BECAUSE OF THE PROVISIONS IT CONTAINED ON WOMEN'S RIGHTS. DR. FRIDAY SUGGESTED THE U.S. SHOULD BOLSTER GOVERNMENTS FACING NEW IDEOLOGIES IN THE CARIBBEAN TO WHICH AMB. TODMAN REPLIED THAT THE U.S. ACCEPTS IDEOLOGICAL PLURALITY. GAIRY CLAIMED GRENADA WAS "THE WEAKEST LINK IN THE CHAIN OF THE WORLD FAMILY OF NATIONS" AND AS SUCH MERITED U.S. ASSISTANCE AS A "SPECIAL CASE."

#### 4. "EMPTY BASKET . . . THROUGH NO FAULT OF OUR OWN"

GAIRY SAID GRENADA HAD BEEN LEFT PENNILESS BY BRITISH EXPLOITATION AND NEGLECT OVER TWO CENTURIES. AGRICULTURAL PRODUCTION HAD NOT RECOVERED FROM THE DESTRUCTION CAUSED BY HURRICANE JANET IN 1955, AND INFRASTRUCTURE WAS INADEQUATE FOR TOURISM. GRENADA SUFFERED DISLOCATIONS FROM PORT CLOSURES AND UNREST ATTENDANT TO INDEPENDENCE IN 1974. HE SAID THE GOVERNMENT HAD GREAT DIFFICULTY CONFIDENTIAL

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MEETING ITS BASIC COMMITMENTS, EVEN PAYING ITS CIVIL SERVANTS. HE SAID GRENADA COULD BE ECONOMICALLY VIABLE-WITH GOOD AGRICULTURAL LAND AND PEOPLE WILLING TO WORK - BUT THAT GRENADA REALLY NEEDED BOTH SHORT AND LONG TERM U.S. HELP.

### 5. "I HAVE A LONG SHOPPING LIST"

GAIRY SAID GRENADA NEEDS ROAD BUILDING EQUIPMENT AND HOSPITAL EQUIPMENT, TECHNICAL SURVEYS OF ITS RESOURCE BASE, SCHOLARSHIPS, TRAINING, AGRICULTURAL TECHNOLOGY, AND (LONG-RANGE) EXPANSION OF ITS TOURIST INFRASTRUCTURE, ESPECIALLY ITS AIRPORT. WEINGROW OBSERVED THAT GRENADA NEEDS SPECIALISTS WHO CAN EVALUATE AND WRITE UP PROJECT PROPOSALS TO THE LENDING AGENCIES FOR THE ASSETS GRENADA ALREADY HAS.

### 6. U.S. "PASSIVE RESISTANCE"

GAIRY SAID IN THE PAST, HE HAD RECEIVED "PASSIVE RESISTANCE" FROM STATE DEPT. AND AID OFFICIALS TO HIS REQUESTS FOR AID. HE SAID FORMER PRESIDENT FORD HAD NOT FOLLOWED UP ON A COMMITMENT FOR "IMMEDIATE, EMERGENCY ASSISTANCE TO GRENADA," AN ACTION HE CALLED "ECONOMIC AGRESSION." IN RESPONSE TO A QUESTION BY AMB. TODMAN, GAIRY SAID THAT IMF AND WORLD BANK REQUIREMENTS FOR ASSISTANCE BASED ON LARGE NATIONS ARE UNWORKABLE FOR SMALLER COUNTRIES LIKE GRENADA.

7. HE SAID THE AID RESOURCES ADMINISTERED BY THE CARIBBEAN DEVELOPMENT BANK (CDB) AND EXCESS PROPERTY PROGRAMS ARE USELESS TO GRENADA BECAUSE THEY ARE TOO SLOW, TOO EXPENSIVE, AND INVOLVE TOO MUCH RED TAPE. HE CITED THE 250,000 DOLS BOND ASKED BY AID TO PARTICIPATE IN THE EXCESS PROPERTY PROGRAM AS UNREASONABLE TO A SMALL COUNTRY THAT CAN BARELY PAY ITS CIVIL SERVANTS. HE SAID CONFIDENTIAL

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GRENADA WOULD BE GLAD FOR ANY EXCESS PROPERTY IT COULD OBTAIN "AS IS, WHERE IS" AND OFFERED A LIST OF ITEMS GRENADA COULD USE. (LIST INCLUDES A LARGE NUMBER OF U.K. AND GERMAN PARTS AND IS IDENTICAL TO THAT SUBMITTED TO DONOR LION IN JANUARY.)

8. GAIRY SAID HE FELT FROM PRESIDENT CARTER'S SPEECHES THAT THE NEW ADMINISTRATION WAS MORE SYMPATHETIC TO THE NEEDS OF ITS POORER NEIGHBORS. AMB. TODMAN SAID HE WAS CORRECT; THE U.S. WILL MAKE FEW PROMISES, BUT CAN BE RELIED ON TO KEEP THOSE IT DOES MAKE. HE MADE NO COMMITMENT OTHER THAN TO TAKE A SERIOUS LOOK AT GAIRY'S LIST OF REQUESTS TO SEE WHAT MIGHT BE DONE.

## 9. U.S. POLICY UNDER REVIEW

AMB. TODMAN INDICATED THAT U.S. POLICY WORLDWIDE WAS UNDER REVIEW BY THE NEW ADMINISTRATION. HE SAID THE U.S. WOULD LOOK CAREFULLY AT ITS POLICY FOR THE CARIBBEAN, TO WHICH NOT ENOUGH ATTENTION HAD BEEN PAID IN THE PAST. HE INDICATED THAT THE U.S. HAD A SURVEY TEAM IN JAMAICA AND WOULD TAKE INTO CONSIDERATION THE POSSIBILITY OF SENDING ANOTHER TO THE CARIBBEAN LATER IN THE YEAR. HE INVITED GAIRY'S INPUTS AND IDEAS INTO OUR PROCESS OF RETHINKING U.S. POLICIES, WHICH HE SAID MUST BE DONE ON AN OVERALL BASIS AND NOT PIECEMEAL. AMB. TODMAN EXPLAINED THAT THE U.S. HAD ADOPTED A MULTILATERAL FOCUS IN ITS

ASSISTANCE SEVERAL YEARS AGO, AND WHILE THIS TOO WAS BEING REVIEWED. HE FELT THE EMPHASIS ON REGIONAL AND

MULTILATERAL ASSISTANCE TO THE POOREST COUNTRIES AND THE POOR IN EACH COUNTRY WOULD REMAIN.

10. AMB. TODMAN INDICATED THAT CONGRESS WAS A FULL PARTNER IN THE ASSISTANCE PROCESS, AND THAT THE MOOD ON CONFIDENTIAL.

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THE HILL IS NOT ONE OF GREATEST GENEROSITY. HE CITED THE INTER-AMERICAN DEVELOPMENT BANK REPLENISHMENT ALLOCATION WHICH CONGRESS DRASTICALLY REDUCED DESPITE DIRECT INTERVENTION BY THE PRESIDENT AND THE SECRETARY OF STATE. WEINGROW ASKED WHO HE MIGHT TALK TO ON THE HILL AND WAS REFERRED BY AMB. MCGEE TO THE MEMBERS OF THE SUBCOMMITTEES RESPONSIBLE FOR AID MONEY IN THE APPROPRIATION AND FOREIGN/INTERNATIONAL RELATIONS COMMITTEES.

## 11. OTHER ISSUES: OAS GENERAL ASSEMBLY (OASGA)

GAIRY THANKED AMB. MCGEE FOR U.S. SUPPORT IN THE OAS DECISION TO RETAIN THE OASGA IN GRENADA. HE ASKED FOR WHATEVER SURPLUS COMMODITIES MIGHT BE AVAILABLE NOW FOR THE OASGA (SPECIFICALLY 10 AUTOMOBILES) AND ASKED FOR U.S. HELP IN KEEPING THE OAS SUPPORT PAYMENT TO GRENADA AT OR CLOSE TO THE 900,000 DOLS ORIGINALLY BUDGETED. AMB. MCGEE EXPLAINED THAT THE BUDGET CONTROVERSY WAS RELATED TO LONG-STANDING EFFORTS TO TIGHTEN UP LOOSE OAS BUDGET PROCEDURES AND WAS NOT RELATED TO THE SITE OF THE OASGA IN GRENADA. HE SAID U.S. POSITION WAS THAT THE QUALITY OF THE OASGA IN GRENADA SHOULD NOT BE DIMINISHED BY ANY BUDGET DECISION TAKEN.

### 12. DIPLOMATIC REPRESENTATION

GAIRY ASKED THAT THE U.S. RECONSIDER ITS OPPOSITION TO U.S. CITIZENS AS DIPLOMATIC REPRESENTATIVES OF FOREIGN GOVERNMENTS TO THE U.S., SAYING THAT SMALL COUNTRIES CANNOT AFFORD EXPENSIVE DIPLOMATIC ESTABLISHMENTS. AMB. TODMAN SAID HE WAS SYMPATHETIC, HAVING SERVED IN SEVERAL SMALL COUNTRIES, AND NOTED THAT SOME SMALLER COUNTRIES HAD USED A REPRESENTATION SYSTEM. HE SAID THE PROBLEM WAS ONE OF BOTH LAW AND DIPLOMATIC PRACTICE AND THAT WE HAD NO DISCRETION.

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## GAIRY SAID HE WOULD APPOINT FABIAN REDHEAD, NOW

PERMSEC MINISTRY OF EDUCATION, AS HIS RESIDENT AMBASSADOR IN WASHINGTON AND PROMISED TO SEND THE PROPER PAPERS SOON. HE ASKED THAT THE U.S. UPGRADE ITS PRESENCE AND PERHAPS OPEN AN EMBASSY IN GRENADA.

## 13. U.S. FUGITIVE EUGENE ZEEK

GAIRY SAW TODMAN ALONE TO SAY THAT ZEEK WAS CAUSING HIM EMBARRASSMENT. HE EXPRESSED HIS WILLINGNESS TO TURN ZEEK OVER TO U.S. AUTHORITIES IF THEY ARRIVED IN GRENADA "WITH THE PROPER PAPERS". CHRISTOPHER

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